

§ 784.5

7 CFR Ch. VII (1–1–04 Edition)

without it, program benefits will not be approved. Providing a false certification may result in additional civil and criminal sanctions.

(c) Notwithstanding any other provisions of this section, payments will not be made under this section for the acquisition of rams to the extent that any such purchase, at any time during Year 1, created, or help create, a ratio of rams to ewes for the operation that was less than 1 ram to 15 ewes. However, the limitation on payments provided for in the preceding sentence shall not apply to the extent that the operation establishes to the satisfaction of the FSA County Office Committee that a lower ratio of rams to ewes is customary for the operation for breeding purposes.

§ 784.5 Year 1 eligibility.

(a) To be eligible to receive the Year 1 payments under this part, as described in § 784.1, at the rates provided in § 784.6, a sheep and lamb operation must:

(1) Be engaged in the business of producing and marketing agricultural products at the time of filing the application;

(2) Have in 1999 gross annual revenue of \$2.5 million or less; and

(3) During Year 1,

(i) Purchased rams for breeding purposes within that operation, provided that such rams must have been at least 90 days of age when purchased and must have been, or will be, maintained by the operation for at least 90 days continuously after the date of purchase; or

(ii) Enrolled sheep in an eligible sheep improvement program; or

(iii) Made sheep and lamb operation facility improvements with respect to their operation.

(b) To be eligible for payments for facility improvements made under paragraph (a)(3)(iii) of this section, the sheep and lamb operation must do the following:

(1) Submit supporting documentation of the cost of the improvements made to the facility during program Year 1. Supporting documentation must be dated during Year 1. Materials purchased prior to Year 1 are ineligible.

(2) Use facility improvements for sheep and lamb production activities continuously for at least the next three consecutive years, and

(3) Must complete the facility improvement by a date determined by the Administrator of FSA, or his designee. The Deputy Administrator for Farm Programs, FSA may authorize State and county committees to waive or modify the facility improvement completion date in cases where timeliness or failure to meet such other requirements does not adversely affect the operation of the program.

(c) Upon a failure to maintain the facility for the full three years or complete the facility improvement by the established deadline, the operation must refund the Year 1 facility payment immediately plus interest at the rate of interest determined by the Agency, from the date FSA made such benefits available to the date of repayment.

(d) With respect to payments made for activities addressed in paragraph (a)(3)(i) of this section, upon any failure to maintain a ram for the full required 90-day period after payment, unless the 90-day period referred to in paragraph (a)(3)(i) of this section has already expired, the operation must immediately refund the payment plus interest at a rate determined by the Agency.

§ 784.6 Year 1 rate of payment and limitations on funding.

Subject to the availability of funds and to the proration rules of § 784.10, Year 1 payments for qualifying operations shall be at the following rates:

(a) Up to \$100 for each eligible ram purchased, with a maximum of \$2,500 per sheep and lamb operation;

(b) \$.50 for each qualifying sheep enrolled in a qualifying sheep improvement program, up to \$500 per sheep and lamb operation; plus

(c) 20% of the cost of the qualifying facility improvements up to \$2,500 per sheep and lamb operation.

§ 784.7 Year 2, Year 3, and Year 4 time and method for application.

(a) A request for Year 2, Year 3, and Year 4 benefits under this part must be submitted on a completed Lamb Meat